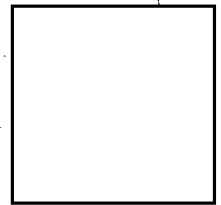
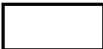


SECRET

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MEMORANDUM FOR: Chief, Support Services Staff


SUBJECT : Proposed Headquarters Regulation 
Agency Contract Review Board

25X

25X1

1. The Agency Contract Review Board (ACRB) at present operates under the charter represented by  This Headquarters Notice (HN) will expire on 31 December 1970.

25X1


2. We have prepared for publication a proposed Headquarters Regulation (HR) to supersede  This new regulation contains in an abbreviated form all the essentials of the HN it is intended to replace. In addition, we have included:

a. A new section covering prototype and first follow-on production of items developed during a research and development effort.

b. The requirement for ACRB review when collective overruns reach a predetermined level.

This new coverage is underlined in the attached proposed HR.

25X1

3. It is requested that any questions regarding the proposed HR be directed to 

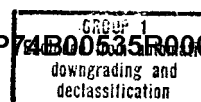
John F. Blake
Director of Logistics

Att

cc: EO/DDS

Declassification Review by
NGA

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MANAGEMENT

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1. AGENCY CONTRACT REVIEW BOARD

a. GENERAL

(1) The Director of Logistics (D/L) is the senior contracting officer for the Central Intelligence Agency (CIA). To assist him in providing an overall staff supervision of the Agency research and development procurement function, there has been established the CIA Contract Review Board (ACRB).

(2) ACRB consists of senior representatives nominated by the four Deputy Directors, together with assigned legal, audit, and security advisors nominated by the General Counsel, the Director of Finance, and the Director of Security respectively. In addition, the Chief, Procurement Management Staff, Office of Logistics, has been designated as the technical procurement consultant to the Chairman, ACRB.

(3) Under procedures approved by the Director of Central Intelligence, ACRB is charged with the responsibility for reviewing all Agency-funded procurements for research, development, and engineering services. In addition, it shall review prototype or first follow-on production units of equipment previously developed, when it can be reasonably demonstrated that adequate specifications or manufacturing drawings are not available to permit competitive procurement from other than the contractor who developed the equipment. The foregoing shall be reviewed when the proposed attending contracts and amendments individually exceed \$150,000 in value.

(4) ACRB will also review all overrun amendments concerned with the above exceeding \$22,500, and also exceeding 15 percent of the original estimated cost of the contract. A review shall also be made when collective overruns on a contract reach the amount and percentage described above.

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MANAGEMENT

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b. PROCEDURES

(1) Each Deputy Director will insure that all qualifying contracts (see a.(3) above) in excess of \$150,000 are submitted to ACRB for review in accordance with procedures established and made known by the Chairman, ACRB. This requirement also will include the described cost overruns under existing contracts.

(2) The Chairman, ACRB, is responsible for preparation of Board documentation and for subsequent presentation to the Board for their consideration. If he deems it necessary, the Chairman, ACRB, may request the involved contracting office and technical office to participate in the presentation to the Board of selected cases.

(3) In all instances, the recommendations of ACRB will be submitted to the D/L for approval. If time factors preclude full ACRB consideration, the Chairman may unilaterally act for the Board. In such instances, the case will be given post review by the entire ACRB.

c. RESPONSIBILITIES

(1) Each Deputy Director will obtain Executive Director-Comptroller approval prior to appointment of Directorate representatives to ACRB.

(2) The D/L, in his capacity as the senior contracting officer of CIA, will approve all actions of ACRB.

(3) The D/L will appoint the Chairman of ACRB.

(4) The Chairman, ACRB, subject to approval of all members of the Board, is responsible for preparing and issuing those internal Board procedures determined to be necessary for efficient functioning of ACRB.

SECRET

This Notice Expires 1-February-1969

Approved For Release 2005/11/21 : CIA-RDP74B00535R000100190003-1

MANAGEMENT

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CIA CONTRACT REVIEW BOARD

1. GENERAL

- a. The CIA Contract Review Board shall function in an advisory and recommendatory capacity to the Director of Logistics in support of his responsibilities as senior Agency official responsible for Agency-funded procurement operations. The board shall review proposed contract actions, as described below, and also operationally approved procurement requests which, by their nature, are of contractual policy, procedural, or operational significance. It shall monitor the overall effectiveness of Agency-wide procurement policies.
- b. The board's responsibilities shall be discharged without assumption of operational, technological, or contractual responsibility--its responsibilities remaining advisory and recommendatory.

2. PRIOR REVIEW OF PROPOSED CONTRACT ACTIONS

- a. The board shall review proposed contracts or additional scope amendments individually in excess of \$150,000 valuation, or overrun-funding amendments if overrun funding exceeds \$22,500 and also exceeds 15 percent of original cost estimate.
- b. Such review of individual contracts or classes of contracts may be waived by the board with the concurrence of the Director of Logistics.

3. REVIEW OF OPERATIONALLY APPROVED PROCUREMENT REQUESTS

Subsequent to operational and command program approval of procurement requests estimated to exceed \$150,000, copies of the requests shall be forwarded to the board for its initial consideration. Any member, believing that such requests present unique contracting policy or substantive considerations, may request the board's approval to invite representatives of the sponsoring directorate to brief the board on the proposed undertaking.

GROUP 1
Excluded from automatic
downgrading and
declassification

S-E-C-R-E-T

Approved For Release 2005/11/21 : CIA-RDP74B00535R000100190003-1

8 April 1968

MANAGEMENT

Approved For Release 2005/11/21 : CIA-RDP74B00535R000100190003-1

4. APPRAISAL OF AGENCY PROCUREMENT STRUCTURE

In accordance with paragraph 1, the board shall, from time to time, give the Director of Logistics its views on the overall effectiveness of Agency-wide procurement policies, procedures, and practices and the efficacy of the procurement unit concept, to include:

- a. Adherence to established Agency procurement policies.
- b. Procurement team participation in the formulation-of-requirements cycle.
- c. Audit assistance and liaison.
- d. Security assistance and liaison.

5. ORGANIZATIONAL CHANGES

Proposed major organizational changes within directorates that affect the procurement function may be submitted to the board by the Director of Logistics for its comments and recommendations. Based on its general level of knowledge and experience, the board may recommend organizational changes to the Director of Logistics, including delegations of contracting authority, assignments of functional workloads, and other appropriate matters, for accomplishment of the Agency's unique procurement needs in support of the Director's responsibilities as established by the Central Intelligence Agency Act of 1949, as amended, or as otherwise supplemented.

6. PROCUREMENT TEAM SUPPORT

The board may recommend policies, procedures, and philosophies for facilitating action of cognizant procurement team(s).

7. PROCUREMENT STUDIES

The board may be requested by the Director of Logistics, Deputy Directors, or higher authority to make observations and comments on the Agency's procurement processes. It shall be constantly aware of the general overall effectiveness of the procurement program and may, from time to time, furnish the Director of Logistics with its observations.

8 April 1968

8. INTERAGENCY PROCUREMENT RELATIONSHIPS

The board shall recommend policies and procedures for interagency joint or accommodation procurement. The chairman of the board shall, in the absence of any other designee for this purpose, be the Agency representative to interagency procurement boards and committees.

9. BOARD ADVISERS AND STAFF

a. ADVISERS AND CONSULTANTS

The board shall be furnished legal, audit, and security advisers to participate in all board responsibilities. Through the Director of Logistics the board may request attendance of Agency personnel at specified board meetings to advise and consult with the board on matters within their special expertise or knowledge. Any such request shall provide a reasonable time for such appearance and shall indicate the general scope of information or advice desired.

b. INFORMATIONAL REQUESTS

The board, through the Director of Logistics, may request cognizant Agency units to submit informational reports covering various aspects of the Agency's procurement process as reasonable and necessary for the board's proper and enlightened functioning.

c. BOARD STAFFING

Except for regular board membership, the staff shall be limited to an executive secretary to be appointed from the Logistics Career Service and secretarial and clerical assistance. It is the intent that the board shall rely on procurement organizational units or staffs for staff studies and staff-support reports and information.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

R. L. BANNERMAN
Deputy Director
for Support

DISTRIBUTION: AB